

104TH CONGRESS
1ST SESSION

H. J. RES. 74

Proposing a balanced budget amendment to the Constitution of the United States.

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 1995

Mr. SMITH of Michigan (for himself, Mr. SHADEGG, Mr. HANCOCK, Mr. BARTON of Texas, Mr. HERGER, Mr. TAYLOR of Mississippi, Mr. LARGENT, Mr. BURR, Mr. SCARBOROUGH, and Mr. ZIMMER) introduced the following joint resolution; which was referred to the Committee on the Judiciary

JOINT RESOLUTION

Proposing a balanced budget amendment to the Constitution of the United States.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled*
3 *(two-thirds of each House concurring therein), That the fol-*
4 *lowing article is proposed as an amendment to the Con-*
5 *stitution of the United States, which shall be valid to all*
6 *intents and purposes as part of the Constitution when*
7 *ratified by the legislatures of three-fourths of the several*
8 *States within seven years after the date of its submission*
9 *for ratification:*

1 “ARTICLE —

2 “SECTION 1. Except as provided in this article, total
3 outlays of the United States Government shall be limited
4 as follows:

5 “(1) Total outlays in any fiscal year shall not
6 increase by a percentage greater than the percentage
7 increase in nominal gross domestic product in the
8 last calendar year ending prior to the beginning of
9 such fiscal year.

10 “(2) Total outlays in any fiscal year shall not
11 exceed the ratio of the outlays in the fiscal year at
12 the time of submission of this proposed amendment
13 to the States to gross domestic product in the last
14 calendar year ending prior to the fiscal year at the
15 time of submission to the States, times gross domes-
16 tic product in the last calendar year ending prior to
17 the fiscal year for which this limitation is being cal-
18 culated.

19 “SECTION 2. Total receipts shall include all receipts
20 of the United States except those derived from borrowing,
21 and total outlays shall include all outlays of the United
22 States, both on-budget and off-budget, except those for
23 the repayment of debt principal. Inflation shall be meas-
24 ured by the gross domestic product deflator. Total outlays
25 shall include the cost to any State or local government

1 of engaging in any activity or service mandated by any
2 law of the United States beyond that required by existing
3 law or this Constitution at the time of the submission of
4 this proposed amendment to the States, unless an appro-
5 priation is made and disbursed to pay that State or local
6 government for such cost.

7 “SECTION 3. When, for any fiscal year, total receipts
8 received by the United States exceed total outlays, the sur-
9 plus shall be used to reduce the public debt of the United
10 States until such debt is eliminated.

11 “SECTION 4. Prior to each fiscal year, the President
12 shall transmit to Congress a proposed statement of re-
13 ceipts and outlays for such fiscal year consistent with the
14 provisions of this article.

15 “SECTION 5. Following the declaration of an emer-
16 gency by the President, Congress may authorize, by a two-
17 thirds vote of both Houses, a specified amount of emer-
18 gency outlays in excess of the limit for the current fiscal
19 year.

20 “SECTION 6. For each of the first 4 fiscal years after
21 ratification of this article, total grants to States and local
22 governments shall not be a smaller fraction of total outlays
23 than the average of the 3 fiscal years prior to the ratifica-
24 tion of this article.

1 “SECTION 7. This article may be enforced by one or
2 more Members of the Congress, or by the President, in
3 an action brought in the United States District Court for
4 the District of Columbia, and by no other persons. The
5 action shall name as defendant the Treasurer of the
6 United States, who shall have authority over outlays by
7 any unit or agency of the Government of the United States
8 when required by a court order enforcing the provisions
9 of this article. The order of the court shall not specify
10 the particular outlays to be made or reduced. Changes in
11 outlays necessary to comply with the order of the court
12 shall be made no later than the end of the first full fiscal
13 year following the court order.”.

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